



TAL Education Group

Investor Presentation

October 2020

Disclaimer

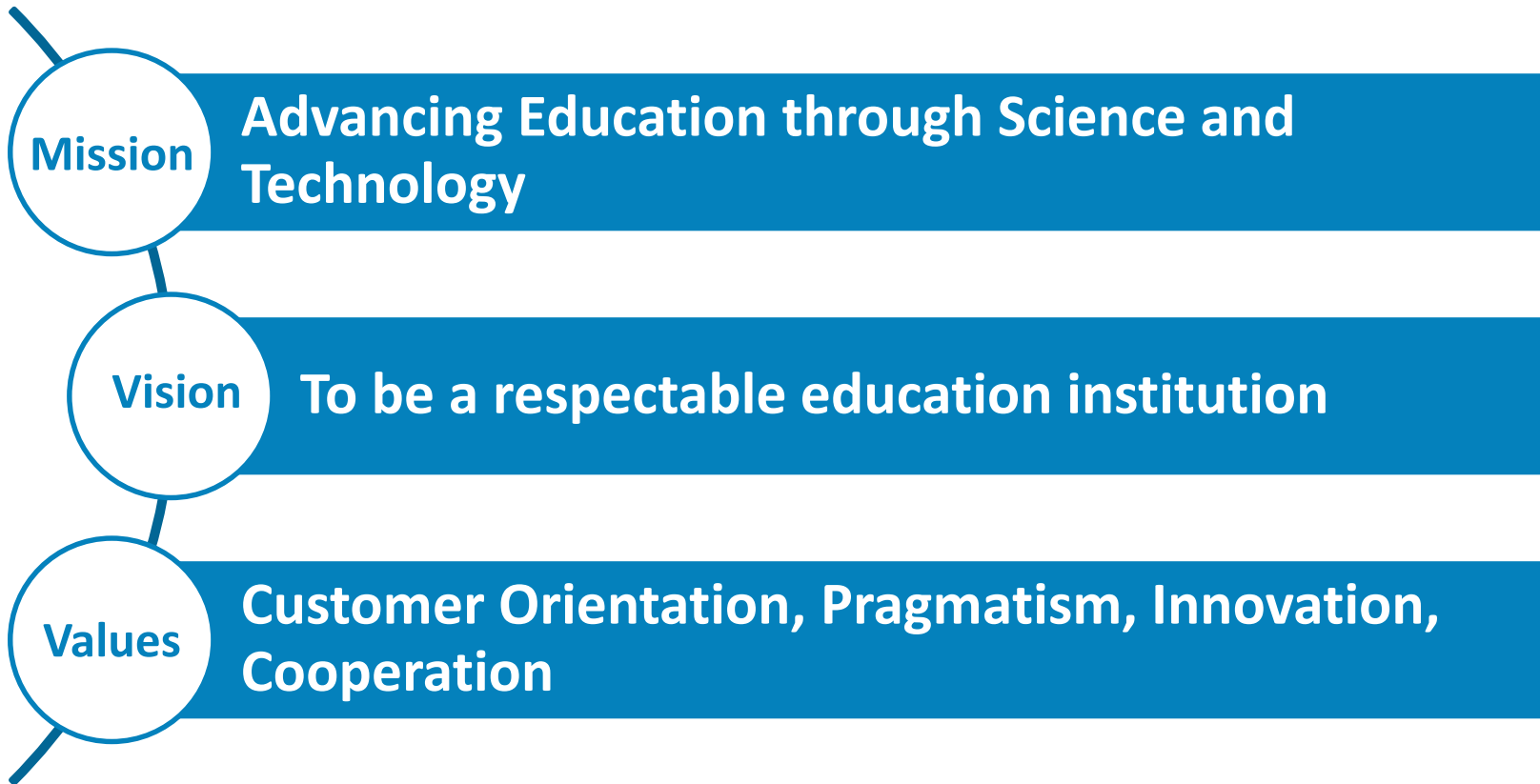
This presentation has been prepared by TAL Education Group (the “Company”) solely for informational purposes and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company. No part of this document shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

This presentation has been prepared by the Company solely for use at this presentation. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, directors, officers, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising from or in connection with the presentation.

This presentation contains statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company, which can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident” and similar statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company or any of its affiliates, directors, officers, advisors or representatives has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

Mission, Vision and Values of TAL



Company Highlights



Industry Leader in Large and Attractive Market

Strong Brand, Recognized for High Quality Teaching, Proprietary Content, and Student Outcomes

Significant Scale and Reach Offline and Online

Strong Operational Performance with Consistent Growth

High Visibility Recurring Revenue Model with Strong Cash Flow

Leading Edge of Science and Technology Development

What We Do

Comprehensive Tutoring Service Offering

We develop multi-subject, multi-year relationships with our students

We Cover Core Subjects in the K-12 School Curriculum ¹

	K	Primary School					Middle School				High School		
		1	2	3	4	5	6	7	8	9	10	11	12
Mathematics	●	●	●	●	●	●	●	●	●	●	●	●	●
English	●	●	●	●	●	●	●	●	●	●	●	●	●
Chinese	●	●	●	●	●	●	●	●	●	●	●	●	●
Physics									●	●	●	●	●
Chemistry										●	●	●	●
Biology											●	●	●

Small Classes



Consolidation from 2016

 学而思培优 Launched in 2003

 学而思 文市课堂 Launched in 2016

 学而思 本地网课 Launched in 2018

 Mobby 摩比 Launched in 2011

Personalized Premium Services (1-on-1)



Launched in 2007

Online Courses



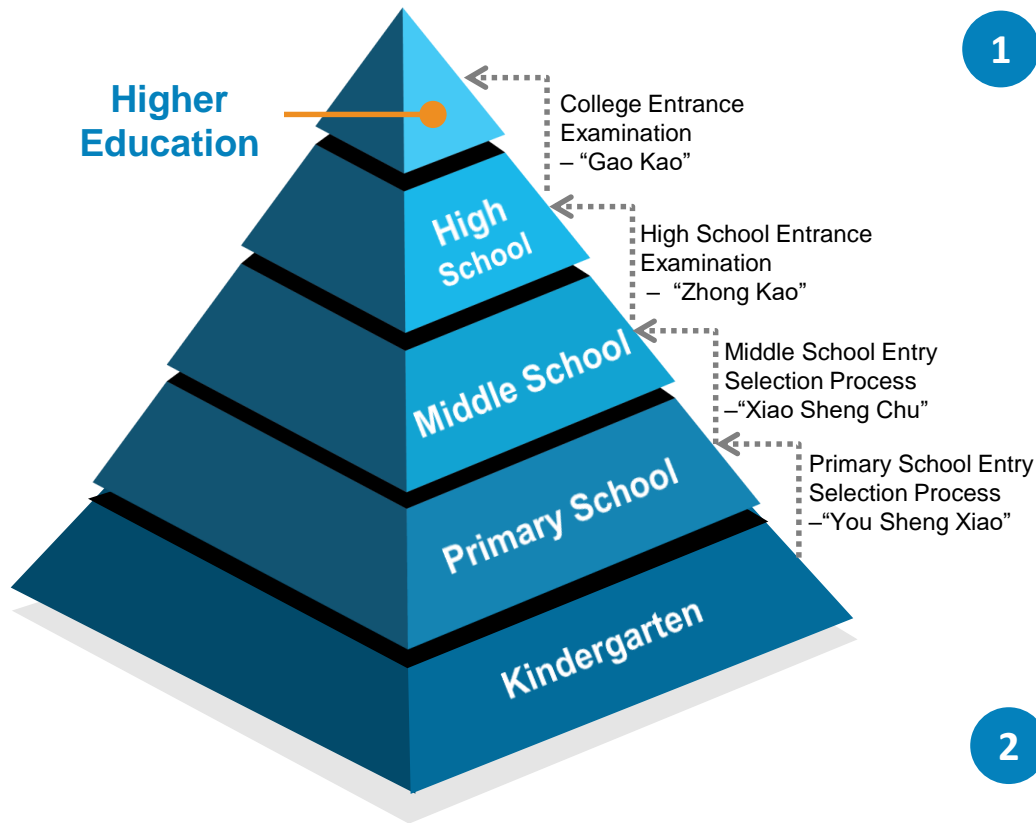
学而思网校

Launched in 2010
Live Broadcasting started from 2Q FY2017

¹ ● "Denotes currently offered course"

Reform of College Entrance Examination Creates New Opportunities

Examination-Focused Education System



Examination-Focused Education System

1 “3+Comprehensive Exam” to “3+3”

3+Comprehensive Exam: Choose between Comprehensive Liberal Arts and Comprehensive Science

3+3: Choose 3 courses among Physics, Chemistry, Biology, Politics, History and Geography

- Reform of college entrance exam has influenced High School Entrance Exam.
- Longer period, more Complicated rules and increased uncertainty push students to prepare earlier.

2 Gradually Uniform College Entrance Exam

- Efficiency of content development will improve.

Based Upon High Teaching Quality and Differentiated Proprietary Content

Optimized Teacher Management System



Selective Hiring Process

- Top university graduates
- Rounds of tests and interviews



Comprehensive Training

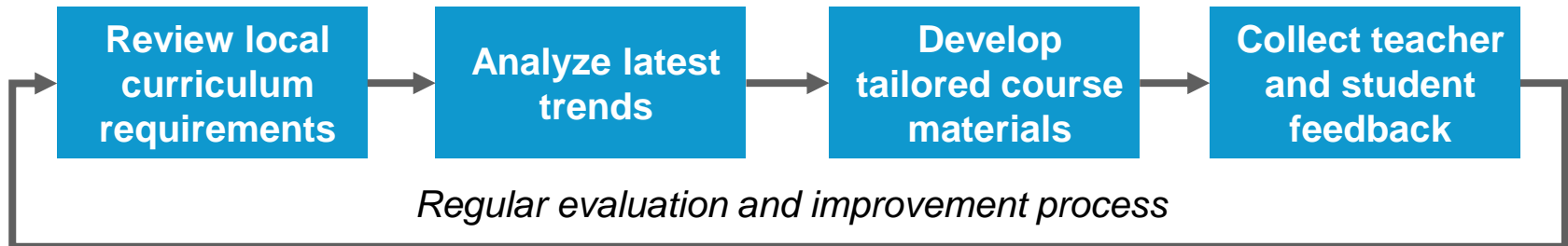
- Comprehensive new teacher training
- Regular ongoing training



Rigorous Evaluation Process

- Continuous evaluation
- Performance based compensation

Proprietary Content Development



Experienced in-house content development team

External education experts hired as advisors

IP transfer and content license agreements with leading international publishers for English subject areas

Straightforward Strategy to Expand Scale Both Offline and Online

Growth Strategy

- 1 Further penetrate existing markets by both online and offline offerings
- 2 Enter new markets: Target to enter new cities each year
- 3 Enhance content offering across subjects and grade levels
- 4 Maintain premium pricing while diversifying programs
- 5 Polishing online and mobile offerings, expanding online engagement

Online and Mobile Platform Now Covers the Student Lifecycle



Minority Strategic Investment



Main portal to TAL Education's education-related platform



Social platform for expecting and young parents



Preschool, kindergarten, and preparation for primary school admissions



Mathematics, competitions, and preparation for middle school admissions



Preparation for China's high school admissions test



Preparation for China's college entrance examination



Preparation for China's postgraduate entrance examination



Peiyou



Firstleap



Mobby



Zhikang



Online School



Kaomanfen

Note: Jiazhangbang APP was elected as one of the Top K-12 APPs and Kaoyanbang APP was elected as one of the Top Examination APPs by Sina Education Channel in November, 2014. Babytree is a minority investment announced in January 2014.

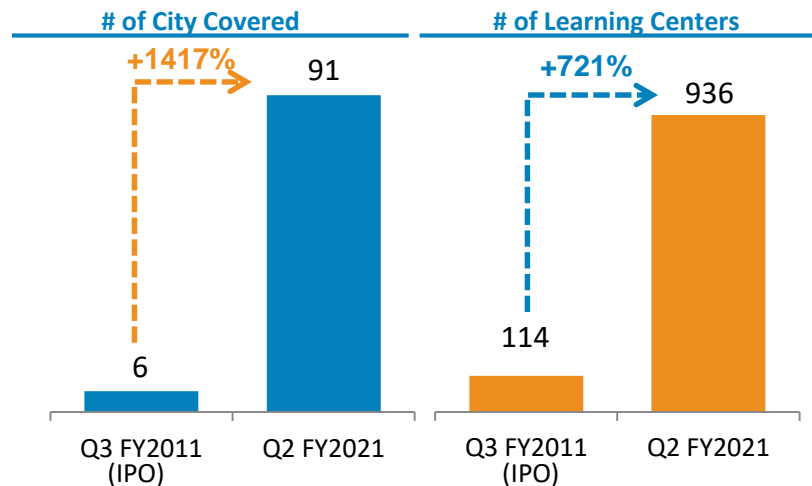
Large Untapped Geographic Expansion Opportunity

Incremental Center Opportunities

City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers	City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers	City	Year of Entry	# of Small Class Centers		# of One-on-One Centers	# of Total Learning Centers
		# of Peiyou Centers	# of Firstleap and Mobby Centers					# of Peiyou Centers	# of Firstleap and Mobby Centers					# of Peiyou Centers	# of Firstleap and Mobby Centers		
Beijing	2003	85	40	27	152	Nantong	2017	3			3	Quanzhou	2019	1			1
Shanghai	2008	66	2	15	83	Luoyang	2015	3			3	Taizhou(泰州)	2019	1			1
Nanjing	2011	47	23	8	78	Wenzhou	2017	3			3	Jiaxing	2019	1			1
Shenzhen	2010	52	1	15	68	Lanzhou	2017	3			3	Zaozhuang	2019	1			1
Guangzhou	2009	48	2	13	63	Yangzhou	2017	3			3	Lianyungang	2019	1			1
Hangzhou	2011	48		7	55	Zibo	2018	3			3	Zhangzhou	2019	1			1
Tianjin	2008	32		5	37	Huai'an	2018	3			3	Silicon Valley	2019	1			1
Chongqing	2012	26	7	2	35	Xiamen	2017	2			2	Yueyang	2020	1			1
Wuhan	2008	29		5	34	Dalian	2017	2			2	Changde	2020	1			1
Xi'an	2011	21		9	30	Yantai	2017	2			2	Hengyang	2020	1			1
Suzhou	2012	20	2	5	27	Huizhou	2018	2			2	Zhuzhou	2020	1			1
Zhengzhou	2012	21		4	25	Zhongshan	2017	2			2	Xiangtan	2020	1			1
Shenyang	2012	13	10	2	25	Shaoxing	2017	1			1	Zhanjiang	2020	1			1
Chengdu	2011	15		6	21	Handan	2018	1			1	Zhuhai	2020	1			1
Changsha	2014	14		1	15	Nanning	2018	1			1	Jiangmen	2020	1			1
Jinan	2014	10		3	13	Kunming	2018	1			1	Shantou	2020	1			1
Hefei	2016	8	4		12	Yinchuan	2018	1			1	Xiangyang	2020	1			1
Fuzhou	2015	11			11	Urumchi	2018	1			1	Yichang	2020	1			1
Taiyuan	2012	9		1	10	Haikou	2018	1			1	Mianyang	2020	1			1
Qingdao	2014	9		1	10	Ha'erbin	2018	1			1	Deyang	2020	1			1
Shijiazhuang	2014	10			10	Hohhot	2018	1			1	Wuhu	2020	1			1
Nanchang	2015	6			6	Linyi	2018	1			1	Liuzhou	2020	1			1
Foshan	2017	6			6	Weifang	2018	1			1	Zunyi	2020	1			1
Changzhou	2017	5			5	Tangshan	2018	1			1	Baotou	2020	1			1
Zhenjiang	2017	4			4	Hong Kong	2019	1			1	Xining	2020	1			1
Wuxi	2015	4			4	Langfang	2019	1			1	Baoji	2020	1			1
Ningbo	2015	4			4	Jining	2019	1			1	Baoding	2020	1			1
Guiyang	2016	4			4	Tai'an	2019	1			1	Xianyang	2020	1			1
Dongguan	2017	4			4	Yancheng	2019	1			1	Total		716	91	129	936
Xuzhou	2017	3			3	Suqian	2019	1			1						
Changchun	2016	3			3	Taizhou(台州)	2019	1			1						
						Jinhua	2019	1			1						

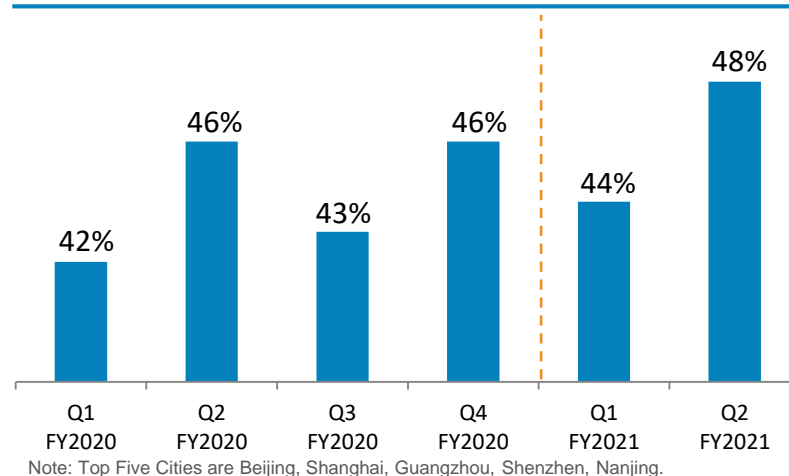
Ongoing Progress Since IPO in Fiscal Year 2011

Expanding Scale

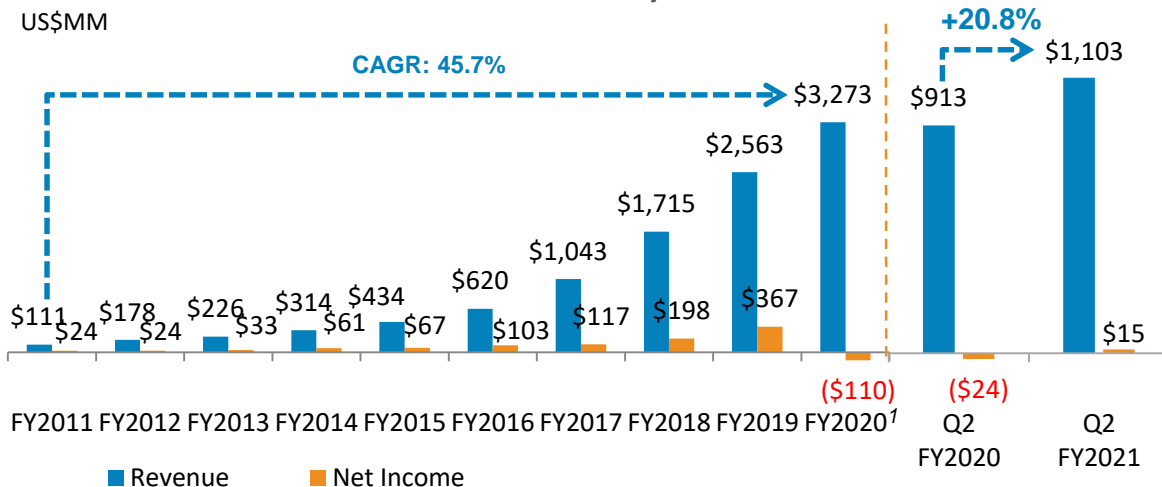


Increasing Geographical Footprint

% of Xueersi Peiyou Small Class Revenue Generated Outside Top Five Cities



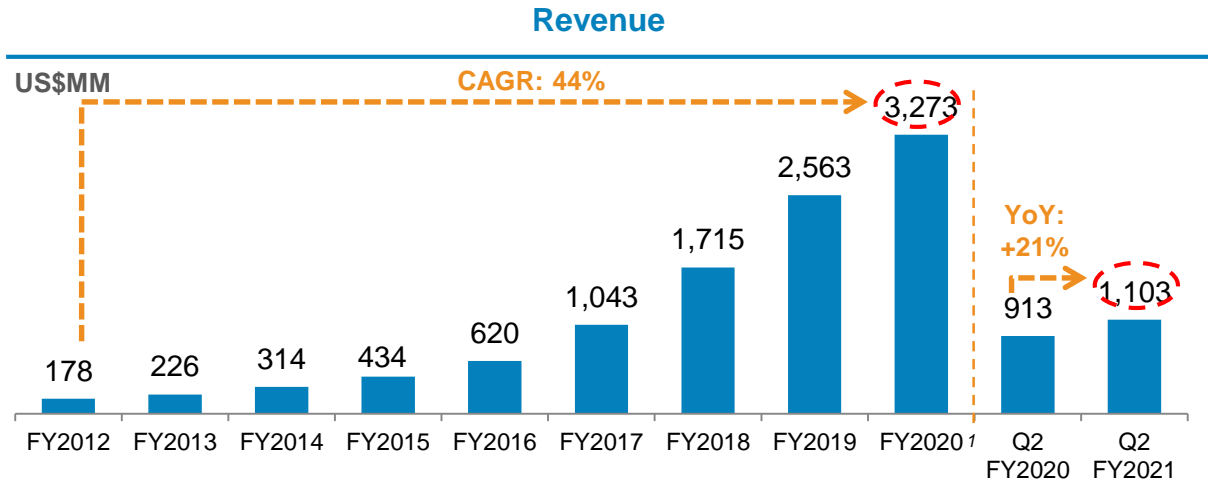
Growth in Revenue / Net Income



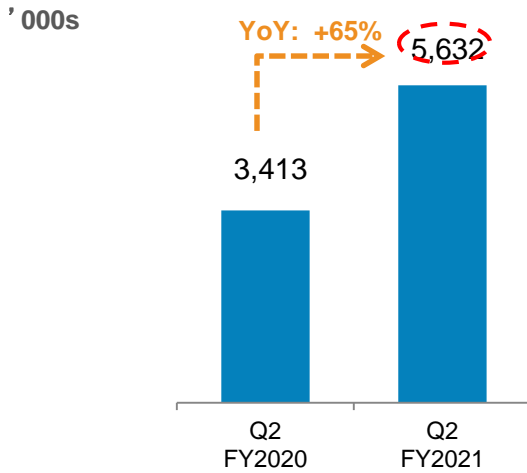
Note: Year and period are as per fiscal year.

1: Included the partial corrections in relation to "Light Class" business.

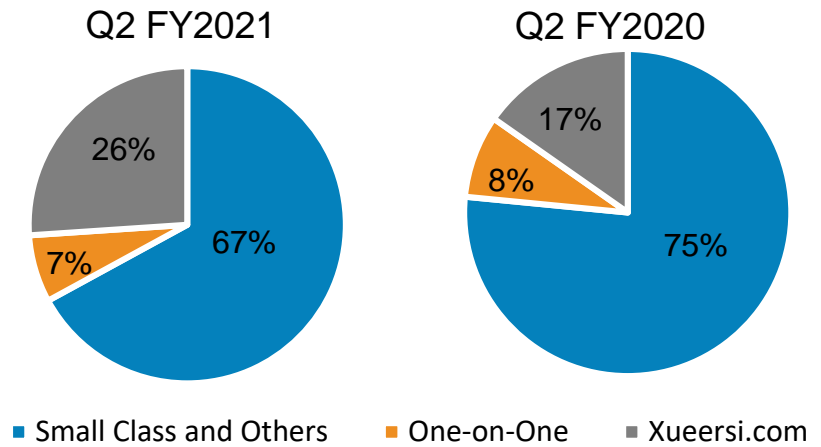
Topline Growth Driven by Online and Offline Business



Student Enrollments of normal priced long-term course



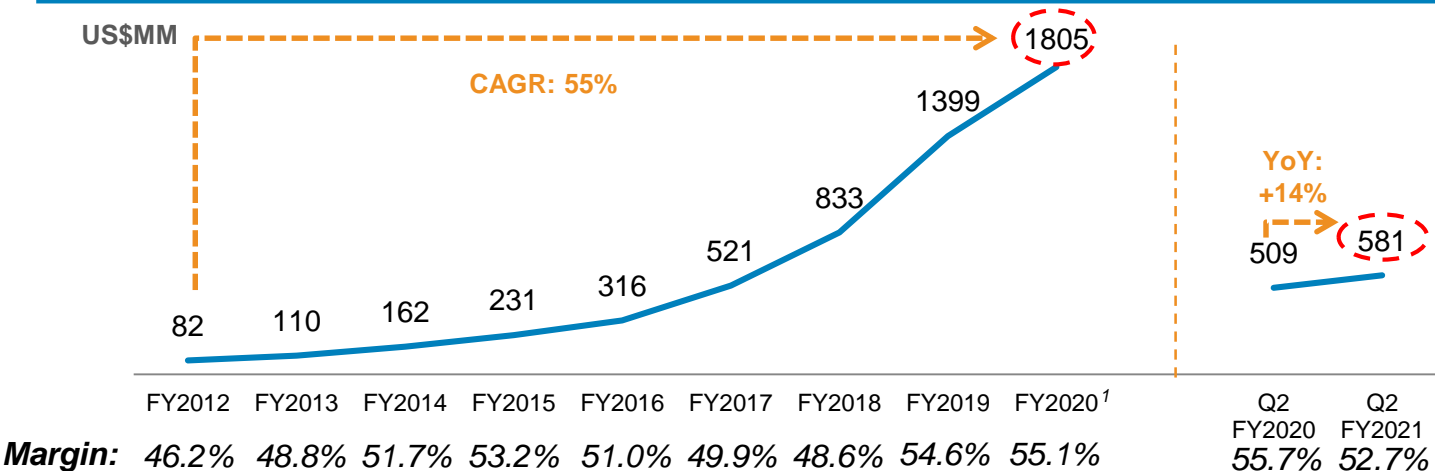
Revenue Contribution



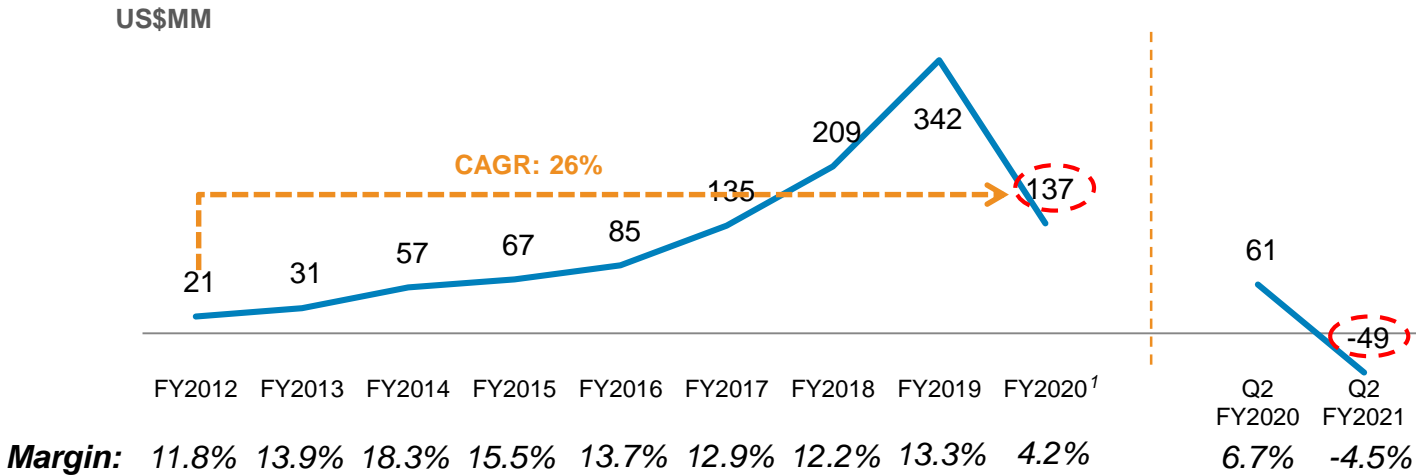
¹: Included the partial corrections in relation to "Light Class" business.

Ongoing Investments to Increase Future Growth

Gross Profit



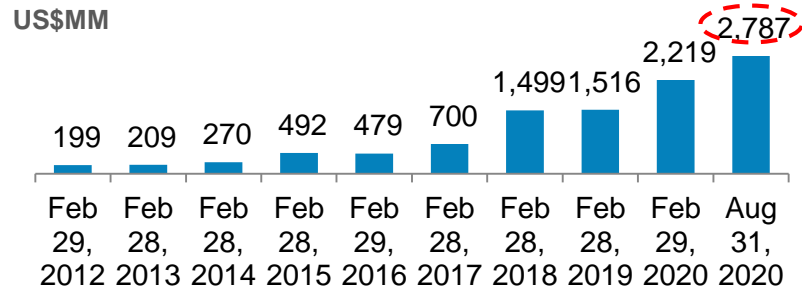
Operating Income



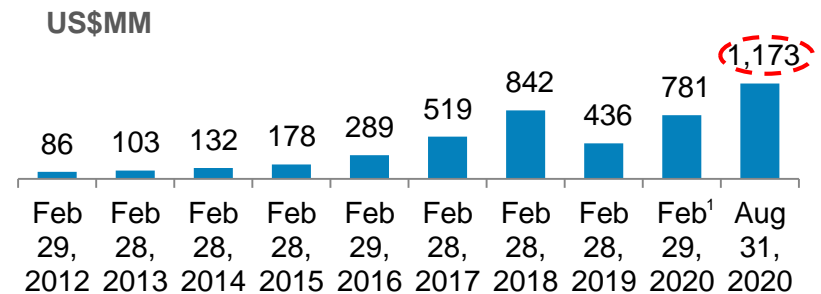
1: Included the partial corrections in relation to "Light Class" business.

While High Visibility Cash Flows Provide Strength to Balance Sheet

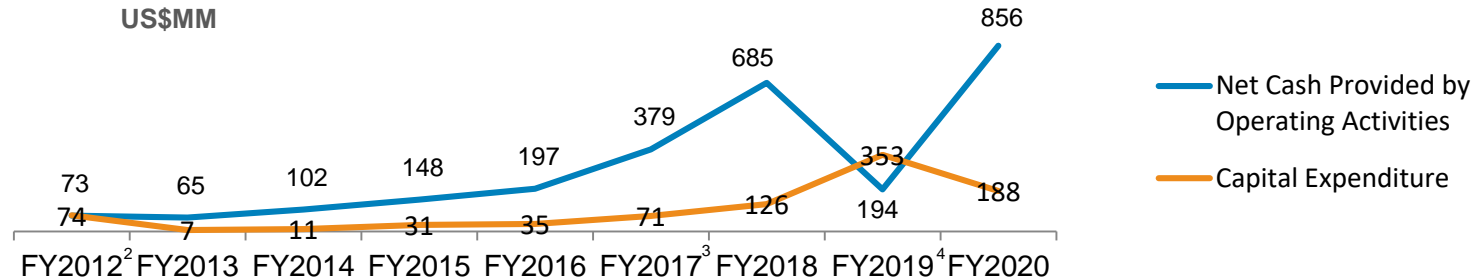
Cash, Cash Equivalents, Term Deposits and Short-term Investments



Deferred Revenues



Free Cash Flow



1: The Group adopted Revenue from Contracts with Customers ("Topic 606") on March 1, 2018. Reclassification was made from deferred revenue to accrued expenses and other current liabilities for tuition collected that may be refunded to the customers in the future if students withdraw from a course for any remaining classes. The Group adopted government policy from the Third Quarter of Fiscal Year 2019 that advanced tuition fees of more than three months may not be collected.

2: Capital expenditure in fiscal year 2012 was US\$74.3 million. The significant increase was primarily related to the purchase of office space for headquarter in Beijing in the amount of \$62.5 million.

3: The Group adopted ASU 2016-09 standard on March 1, 2017. The retrospective application resulted in a \$9.4 million and \$19.5 million reclassification of these cash outflows from operating activities to financing activities on our consolidated statements of cash flows for the years ended February 29, 2016 and February 28, 2017, respectively.

4: Capital expenditure in fiscal year 2019 was US\$353.3 million. The significant increase was mainly due to prepayments for purchase of land use right of \$209.9 million.

Experienced Management Team and Distinguished Board

Bangxin Zhang: CEO and Director since our inception

Yunfeng Bai: Chairman since Jan 2020, President since Oct 2016, Senior VP of TAL from Apr 2011 to Oct 2016, 15+ years with TAL

Jane Jie Sun: Audit Committee Chair, Independent Director since Oct 2010, CEO and Director of Ctrip Inc.

Weiru Chen: Compensation Committee Chair, Independent Director since June 2015, associate professor of strategy at China Europe International Business School (“CEIBS”)

Kaifu Zhang: Nominating & Corporate Governance Committee Chair, Independent Director since Oct 2016, assistant professor of Marketing and the Xerox Junior Chair at the Tepper School of Business, Carnegie Mellon University

Yachao Liu: COO effective from Jun 2017, Company Director from Oct 2016 to Jan 2020, Senior VP of TAL from Apr 2011 to Oct 2016, 15+ years with TAL

Rong Luo: CFO effective from Nov 1st 2014, former CFO of eLong Inc.

Mi Tian: CTO effective from May 2020, joined TAL in May 2019

Thank You

Investor Relations Contact:

ir@100tal.com

+8610 5292 6658

**15/F Danling SOHO, No. 6 Danling Street,
Haidian District, Beijing 100080**

